

VZCZCXRO1106
PP RUEHPT
DE RUEHBY #0597/01 1800735
ZNY CCCCC ZZH
P 290735Z JUN 09
FM AMEMBASSY CANBERRA
TO RUEHC/SECSTATE WASHDC PRIORITY 1691
INFO RUEHBN/AMCONSUL MELBOURNE 6464
RUEHPT/AMCONSUL PERTH 4728
RUEHDN/AMCONSUL SYDNEY 4697

C O N F I D E N T I A L SECTION 01 OF 02 CANBERRA 000597

NOFORN
SIPDIS

E.O. 12958: DECL: 06/29/2019
TAGS: [AS](#) [PGOV](#)
SUBJECT: POLLS BODE ILL FOR OPPOSITION LEADER TURNBULL

REF: CANBERRA 585

Classified By: POLITICAL COUNSELOR JAMES F. COLE. REASON: 1.4 (C)

11. (SBU) SUMMARY: Three opinion polls have confirmed the Opposition has been significantly damaged by the "Utegate" fake e-mail affair (reftel), shattering the momentum it had been building in recent weeks. The biggest worry for the Coalition is the massive slump in Opposition Leader Malcolm Turnbull's approval ratings, causing some in the Coalition to fear Turnbull is unelectable. The media and some Liberals are engaging in "leadership speculation", with Shadow Treasurer Joe Hockey touted as the most likely successor. Before parliament resumes in August, Turnbull will almost certainly re-shuffle his front-bench; make some big announcements; and return to attacking the government on debt. END SUMMARY.

COALITION DAMAGAED

12. (SBU) The most influential national opinion poll - the bi-weekly Newspan - has the ALP's lead increasing from 53/47 (the Coalition's best result) to 56/44. The AC Nielsen Poll has The ALP increasing its lead from 53/47 to 58/42 since mid-May, while Galaxy shows the ALP increasing its lead from 55/45 to 56/45 since late May. Averaged, this is 56.6/43.3 meaning the Coalition is on track to lose around 20 seats at the next election. This would be a disastrous result for the Coalition.

TURNBULL CLOBBERED IN POLLS

13. (SBU) Following his battering at the hands of Prime Minister Rudd during the "Utegate" exchanges in Parliament, Turnbull has suffered an unprecedented slump in his approval ratings, putting him in a worse position than his predecessor's last polls. In Newspan, Turnbull's net satisfaction rating fell a record 40 points to minus 33, and Kevin Rudd increased his lead as preferred Prime Minister from 57/25 to 65/18. It was similar story in the other polls. The AC Nielsen poll had Turnbull third as preferred Liberal leader on 18 percent, behind Peter Costello (who ruled himself out of leadership contention fortnight ago) on 37 percent and Shadow Treasurer Joe Hockey on 21 percent.

LEADERSHIP SPECULATION

14. (SBU) There were media reports that "senior Liberals" would have moved to replace Turnbull if parliament was sitting this week, and that Turnbull's supporters were accusing Hockey of positioning himself for the leadership. However, Hockey loyally declared Turnbull would lead the party to the next election. Similarly, Opposition frontbencher Tony Abbott, who also has leadership ambitions, defended Turnbull: "We have a good leader, he's going to lead us through to the next election and we've got to get behind him."

15. (C/NF) One Liberal frontbencher, while conceding he is close to Turnbull, told us the media reports were "rubbish". Also close to Hockey, he said "Joe's not that stupid" to pursue the leadership. He said Hockey, 43, has time on his side and would not want to damage his standing in the party by undermining Turnbull. He claimed reports of Hockey pursuing the leadership were being fueled by anti-Turnbull forces in the party "desperate to latch on to anything" now that Costello has ruled himself out of the leadership.

16. (C/NF) Another Liberal MP, who voted against Turnbull in both leadership ballots, but is a Liberal moderate, told us Turnbull's hold on the leadership will be in jeopardy if the polls don't shift, but that Turnbull's actions in relation to the email were understandable. He said Turnbull was resourceful and intelligent, and he anticipated some big announcements to shift debate away the "Utegate" fallout (there is a widespread view among Liberal insiders that Turnbull will re-shuffle his frontbench shortly and that Abbott will be given a more prominent role). He maintained that the next election was winnable for the Coalition because "underlying issues" - such as the economy - were strengths for the Coalition. He said Hockey would almost certainly become leader if Turnbull was dumped, however Hockey would need to be persuaded to take the job.

17. (C/NF) A Right-wing Liberal MP, who dislikes Turnbull, told us Turnbull would "probably survive" and that there was no move in the party towards Hockey. However, he said "Utegate" had permanently damaged Turnbull's credibility and

CANBERRA 00000597 002 OF 002

confirmed public suspicions about him. He said Turnbull was unelectable, making it difficult for the Coalition to attack the government on the economy.

8.(C/NF) COMMENT: In one week, the Coalition's reviving hope has been seriously dampened. In Turnbull's favor is that the genial Hockey appears to be in no rush (ALP MPs tell us he could be a formidable opponent). For Turnbull's enemies, it may be preferable to let Turnbull lead the party to an election loss and make him the patsy, similar to what the ALP did to Mark Latham following the 2004 election. Turnbull is tough, ambitious and tenacious; he is unlikely to go quietly. In terms of party disunity, it may be more trouble than it's worth removing him. Turnbull's strategy is to give himself maximum time to turn the polls around by not giving the ALP the trigger for an early election (he is sounding more amenable on the government's emissions trading legislation); attack the government on the economy (particularly debt); and take advantage of what he believes will be an unpopular budget in 2010. END COMMENT.